

**APPENDIX D**  
**Budget and Set-Asides Checklist**  
**Review Process and Procedures**  
**For Comprehensive Programs**  
**Under the Consolidated Application for NCLB**  
**School Year 2007-2008**

**Tennessee Department of Education**  
**Office of Federal Programs**

**Preliminary Budgets**

1. All LEAs will complete an NCLB budget document annually which includes the preliminary allocations and estimated carryovers for all formula funds included in their NCLB Consolidated Application (Titles IA, IIA, IID, III, IVA, VA, and VI) in conjunction with the submission of their NCLB Consolidated Application for the next fiscal year.

**Final Budget Packet**

2. LEAs will revise the preliminary budget documents when they have both 1) received their final allocations for the current fiscal year as indicated on their grant awards, and 2) closed out their previous fiscal year budgets. Each LEA will use **the state chart of accounts** on the FY08 NCLB Budget Spreadsheet and Budget Worksheet and send electronic copies to their assigned NCLB field service consultant **by October 1, 2007**.
3. In order to prepare for budget monitoring, it is recommended that LEAs review fiscal budget compliance by completing the **Budgets and Set-Asides Checklist**.
4. Each NCLB Field Service Consultant will contact the locally designated Federal Programs Contact Person of the LEA in order to schedule a date(s) for the review of the NCLB budgets and to complete the **Budgets and Set-Asides Checklist**. The Federal Programs Contact Person and the Federal Programs Accountant/Bookkeeper should be available on that date(s).
5. Each NCLB Field Service Consultant will use the **Budgets and Set-Asides Checklist** and other documentation as needed to complete the budget review. The consultant will include comments when responses are "No," unless otherwise indicated. Upon completion of the review, the consultant will check the appropriate box to indicate the status of the budget review and sign and date the checklist cover page.
6. For a budget review to be closed, the consultant must check the box labeled *Budgets and set-asides meet NCLB requirements*.
7. The budget review remains open if the consultant checks either of the following boxes labeled:
  - a) *Budgets and set-asides appear to meet NCLB requirements, but I have some concerns. My concerns are listed below.* OR
  - b) *Inconsistencies are evident with this LEA's budgets and set-asides. My concerns are listed below.*

The consultant must indicate the specific budget compliance concerns on the **Budgets and Set-Asides Checklist**.

8. The NCLB consultant should make two copies of the **Budgets and Set-Asides Checklist**. The consultant should provide the LEA with a copy of the document and keep a copy for his/her files.
9. The NCLB consultant will mail the original **Budgets and Set-Asides Checklist**, as well as **electronic copies of the Final Budget Spreadsheet and Worksheet** to Betty Cochran and Brenda Staggs in the Nashville office by **November 15, 2007**.

10. If the budget review remains open, the LEA must address the concerns of the NCLB consultant and arrange another date(s) for the review of the revised budgets. The NCLB consultant will review the revisions and complete the Follow-Up Coversheet (located at the end of the **Budgets and Set-Asides Checklist**). The NCLB consultant may partner with the Fiscal Field Service Consultant to complete this review.
11. The NCLB consultant should continue this procedure (Step 10) including using a new Follow-Up Coversheet until the budget review is closed. Each Follow-Up Coversheet must be attached on top of the original coversheet and becomes part of the LEA's official **Budgets and Set-Asides Checklist**.
12. All LEAs must have closed budget review as a condition of the approval of their FY09 Consolidated Application for NCLB Funds.
13. Any corrections on the **Budgets and Set-Asides Checklist** must follow this procedure:
  1. The NCLB consultant correcting an inaccuracy must put a line through the inaccurate information;
  2. He/she must then write the correct information in the correct location; and, finally,
  3. He/she must initial and date the correction.
14. Letters from the Executive Director of Federal Programs will be sent to all LEAs indicating the status of their budget review for 2007-2008.

### **Budget Amendments**

15. LEA Federal Programs Contact should submit the "reviewed and allowable NCLB electronic budget" with the budget amendment to his/her assigned NCLB consultant when an LEA wishes to modify any finally approved budget resulting in a greater than ten percent increase or decrease in a budget category, whether the change is single or cumulative.
  - The following items must be included as a part of this budget amendment when submitted:
    - A. a completed NCLB Budget Amendment Form ED-5341 for each affected title-an original (for Nashville office) and one paper copy (for NCLB Consultant),
    - B. an original cover letter from the Director of Schools, and
    - C. "reviewed and allowable NCLB electronic budget" with budget amendments to their assigned NCLB Field Consultant for approval. To complete the budget amendment
      - Enter submission date,
      - Enter amendment number,
      - Enter budget changes in the center column under each affected Title.
  - LEA will receive an approved electronic copy.

Note: Subsequent budget amendments must be submitted using the most recently approved electronic version.

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